

January 30, 2009

Peggy Wagner
President
Health and Human Resource Center
dba Horizon Health EAP-Behavioral Services
9370 Sky Park Court, Suite 210
San Diego, California 92123

**RE: Failure to timely file 2006 and 2007 Annual Anti-Fraud Reports
Enforcement Matter No. 07-240**

LETTER OF AGREEMENT

Dear Ms. Wagner:

The Office of Enforcement of the Department of Managed Health Care (the "Department") determined that Health and Human Resource Center (HHRC or the "Plan") failed to comply with the requirements of California Health and Safety Code section 1348(c) by failing to submit its 2006 and 2007 annual Anti-Fraud Report to the Department as required.

Health and Safety Code section 1348(c) reads as follows:

Every health care service plan that establishes an antifraud plan pursuant to subdivision (a) shall provide to the director an annual written report describing the plan's efforts to deter, detect, and investigate fraud, and to report cases of fraud to a law enforcement agency. For those cases that are reported to law enforcement agencies by the Plan, this report shall include the number of cases prosecuted to the extent known by the plan. This report may also include recommendations by the plan to improve efforts to combat health care fraud.


Effective July 1, 2002, the Office of Enforcement assumed oversight responsibility for the Plan's anti-fraud efforts. On December 9, 2002, the Department sent a letter informing the Plan of the requirement to file the reports to the Department by January 31st of each year for the prior year. On June 22, 2004, the Department sent HHRC a warning letter and HHRC subsequently filed its 2003 annual Anti-Fraud Report on July 23, 2004. HHRC filed its 2004 annual report on February 18, 2005, and its 2005 annual report on January 30, 2006. However, the Department has no record of an annual Anti-Fraud Report being filed for 2006, which was due no later than January 31, 2007, or an annual Anti-Fraud Report for 2007 which was due no later than January 31, 2008.

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DEPT OF
MANAGED HEALTH CARE
ACCOUNTING OFFICE

On April 28, 2008, the Office of Enforcement sent a letter to the Plan regarding the Plan's failure to submit its 2006 and 2007 annual Anti-Fraud Reports. This letter informed the Plan of the Office of Enforcement's intent to file an Accusation seeking to impose an administrative penalty as a result of the Plan's violation of Health and Safety Code section 1348(c).

The Plan submitted its 2006 and 2007 Anti-Fraud Reports to the Department on May 5, 2008. The Plan acknowledged its failure to file its 2006 and 2007 annual Anti-Fraud Reports as required by the deadline set by the Department and agreed to pay the penalty of \$5,000.00. The Plan further agrees to submit subsequent anti-fraud annual reports to the Department by January 31st of each year.

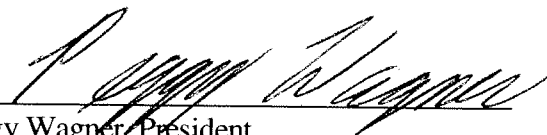
Sincerely,


for Amy Dobberteen
Assistant Deputy Director
Office of Enforcement

SCS:js

Accepted by Health and Human Resource Center

Dated: 2/6/09


Peggy Wagner, President
Health and Human Resource Center
dba Horizon Health EAP-Behavioral Services